

**PUBLIC HEARING AGENDA  
NORTH CAROLINA STATE BOARD OF CPA EXAMINERS  
MAY 19, 2016  
10:00 A.M.  
1101 OBERLIN ROAD  
RALEIGH, NC**

---

**I. Administrative Items**

A. Call to Order

**II. Hearing Testimony**

A. Case No. C2014266-1, Case No. C2014266-2, and Case No. C2014120 - Belinda L. Johnson, NC CPA #31871 and Belinda Johnson CPA, P.A.

**III. Adjournment**

NORTH CAROLINA  
WAKE COUNTY

BEFORE THE NORTH CAROLINA STATE BOARD OF  
CERTIFIED PUBLIC ACCOUNTANT EXAMINERS  
Case: #s C2014266-1/2 and C2014120

IN THE MATTER OF:

Belinda L. Johnson, #31871  
Belinda Johnson CPA, P.A.  
Respondents

NOTICE OF HEARING

The North Carolina State Board of Certified Public Accountant Examiners ("Board") has received evidence which if admitted at hearing would show that:

1. Respondent Belinda Johnson (hereinafter "Respondent Johnson") is the holder of a certificate of qualification admitting Respondent Johnson to practice as a Certified Public Accountant in North Carolina ("Certificate").
2. Respondent Johnson is subject to the provisions of Chapter 93 of the General Statutes of North Carolina and Title 21, Chapter 08 of the North Carolina Administrative Code, including the Rules of Professional Ethics and Conduct promulgated and adopted therein by the Board.
3. Respondent Belinda Johnson CPA, P.A. (hereinafter "Respondent Firm"), is a registered certified public accounting professional corporation in North Carolina and is subject to the provisions of Chapter 93 of the General Statutes of North Carolina.
4. During all time relevant to these matters, Respondent Johnson was the supervising CPA and sole CPA member of Respondent Firm.
5. Under Respondent Firm's current ownership structure, if Respondent Johnson ceases to be certified as a CPA, the Respondent Firm may not continue to be a registered CPA firm.
6. Respondent Firm received a fail on a peer review conducted by a CPA firm that was approved as a peer review firm by the North Carolina Association of Certified Public Accountants ("NCACPA"). The peer reviewer's determination was reviewed and approved by the NCACPA Peer Review Committee.
7. The failed peer review noted a material departure from Generally Accepted Auditing Standards ("GAAS") by Respondent Firm.

8. The peer review report recommended that Respondent Firm reissue the audited financial statement and reports of a non-for-profit client ("Audit Client").
9. Respondent Johnson and Respondent Firm have disputed the results of the peer review. Respondent Johnson and Respondent Firm refused to reissue the Audit Client's audited financial statements.
10. The peer reviewer filed a complaint alleging that Respondent Johnson and Respondent Firm have failed to fulfill all terms of that peer review contract.
11. After receipt of the complaint from the peer reviewer, the Board's Professional Standards Committee directed the Board staff to communicate to Respondent Johnson that she should take efforts to complete the terms of the peer review contract.
12. In response to that communication, Respondent Johnson filed a complaint against the Board and other parties. That complaint was filed with the Consumer Protection Division of the North Carolina Department of Justice ("Consumer Complaint").
13. The Consumer Complaint contained unfounded allegations that the Board was biased against Respondent Johnson.
14. The Consumer Complaint was dismissed by the North Carolina Department of Justice.
15. Respondent Johnson also filed Petition for a Contested Case Hearing before the North Carolina Office of Administrative Hearings ("OAH Complaint").
16. Per the OAH procedures, Respondent Johnson was required to submit a Pre-Hearing Statement ("Pre-Hearing Statement"). That Pre-Hearing Statement contains numerous inaccuracies.
17. The Board filed a Motion to Dismiss the OAH Complaint. Respondent Johnson filed a response and memorandum in opposition to the Motion to Dismiss. The documents filed by Respondent Johnson contained numerous inaccuracies.

18. The Board's Motion to Dismiss was granted, and the OAH Complaint was dismissed by an Administrative Law Judge.
19. The Board staff later requested the working papers for the audit performed for the Audit Client. Respondent Johnson refused to provide that documentation, stating that she considered it "unnecessary and redundant."
20. Neither Respondent Johnson nor Respondent Firm had previously provided the working papers for the Audit Client to the Board.
21. During the investigation of these matters, the Board staff also discovered, on the North Carolina Secretary of State website, that a tax lien had been levied against "Belinda Johnson, CPA, a Corporation" showing an unpaid balance of assessment of \$4,870.47 for 941 taxes for the quarter ending 12/31/2007.
22. When the Board staff requested further information about that tax lien, Respondent Johnson declined to provide it, stating that "[t]he main reason for the refusal is that this information is irrelevant and immaterial to this case."
23. If proven at a hearing pursuant to the North Carolina Administrative Procedure Act, Respondent Johnson's failure to comply with Government Auditing Standards and generally accepted auditing standards could constitute violations of 21 NCAC 08N .0409, .0403, and .0212.
24. If proven at hearing, any inaccurate statements contained in Respondent Johnson's Consumer Complaint, OAH Complaint, Pre-Hearing Statement, or other document provided by her to the Department of Justice, Office of Administrative Hearings, or this Board could constitute a violation of 21 NCAC 08N .0202 if she knew, or should have known, that those statements were false at the time they were made.
25. If proven at hearing, Respondent Johnson's failure to fulfill the terms of a peer review engagement contract could constitute a violation of 21 NCAC 08N .0203(b)(4).

Notice of Hearing - 4  
Belinda Johnson  
Belinda Johnson CPA, P.A.

26. If proven at hearing, Respondent Johnson's and Respondent Firm's failure to timely remit 941 taxes to the Internal Revenue Service could constitute a violation of 21 NCAC 08N .0201, .0203, and .0207.
27. If proven at hearing, Respondent Johnson's failure to timely respond to the Board staff's inquiries, and her refusal to provide the Board staff with information, could constitute a violation of 21 NCAC 08N .0206.

The discipline which the Board may impose on Respondent Johnson for violation of the aforementioned statutes and rules includes censure, revocation of license for a period of time, or permanent revocation. In addition, the Board may impose civil penalties of up to \$1,000.00 per infraction. The Board may also cancel a firm's registration.

Pursuant to N.C. Gen. Stat. § 150B-38, Respondent Johnson and Respondent Firm are entitled to a public hearing on this matter. This notice is to advise Respondent Johnson and Respondent Firm that, unless this matter is resolved by consent, the Board will hear this matter in the Board offices at 1101 Oberlin Road in Raleigh, on May 19, 2016, at 10:00 a.m. If the Respondents are not present, a decision may be reached in their absence, and they may be deemed to have waived their right to a hearing.

Pursuant to N.C. Gen. Stat. § 150B-40(d), Respondent Johnson may not communicate regarding this matter, directly or indirectly, with any individual member of the Board.

Questions regarding this matter, or attempts to resolve this matter informally, may be directed to the Board's Staff Attorney, Frank Trainor, (919) 715-9185, [ftrainor@nccpaboard.gov](mailto:ftrainor@nccpaboard.gov).

This notice is issued the 22 day of OCTOBER, 2015.



BY: Wm. Henry Carl  
Professional Standards Committee, Chairman  
North Carolina State Board of  
Certified Public Accountant Examiners